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MONTANA LEGISLATIVE HISTORY

Chapter 675 19 91

Bill H _____ S 263 Original bill & history ✓ C

H. Committee on Taxation ✓		S. Committee on Taxation	
Hearing Date(s) 3-19	✓ C	Hearing Date(s) 2-12	✓ C
_____	___ C	_____	___ C
_____	___ C	_____	___ C
_____	___ C	_____	___ C
Date Out _____	___ C		

Did this bill originate in an interim committee? ___ Yes ___ No

Committee _____ Report _____

2/13	COMMITTEE REPORT—BILL PASSED		
2/14	2ND READING PASSED	50	0
2/15	3RD READING PASSED	49	0
	TRANSMITTED TO HOUSE		
2/16	FIRST READING		
2/16	REFERRED TO TAXATION		
3/19	HEARING		
3/19	COMMITTEE REPORT—BILL CONCURRED		
4/11	2ND READING CONCURRED AS AMENDED	94	4
4/12	3RD READING CONCURRED	94	3
	RETURNED TO SENATE WITH AMENDMENTS		
4/17	2ND READING AMENDMENTS CONCURRED	49	0
4/18	3RD READING AMENDMENTS CONCURRED	49	0
4/22	SIGNED BY PRESIDENT		
4/23	SIGNED BY SPEAKER		
4/23	TRANSMITTED TO GOVERNOR		
4/27	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 674	EFFECTIVE DATE: 7/01/91	

SB 263 INTRODUCED BY WILLIAMS, ET AL.

COUNTY RECOVERY OF COSTS OF CONDUCTING TAX-DEED SALE

2/02	INTRODUCED		
2/02	FISCAL NOTE REQUESTED		
2/04	REFERRED TO TAXATION		
2/04	FIRST READING		
2/04	FISCAL NOTE REQUESTED		
2/07	FISCAL NOTE RECEIVED		
2/08	FISCAL NOTE PRINTED		
2/12	HEARING		
2/13	COMMITTEE REPORT—BILL PASSED		
2/14	2ND READING PASSED	50	0
2/15	3RD READING PASSED	49	0
	TRANSMITTED TO HOUSE		
2/16	FIRST READING		
2/16	REFERRED TO TAXATION		
3/19	HEARING		
3/19	COMMITTEE REPORT—BILL CONCURRED		
4/11	2ND READING CONCURRED AS AMENDED	94	1
4/12	3RD READING CONCURRED	96	1
	RETURNED TO SENATE WITH AMENDMENTS		
4/17	2ND READING AMENDMENTS CONCURRED	49	0
4/18	3RD READING AMENDMENTS CONCURRED	49	0
4/22	SIGNED BY PRESIDENT		
4/23	SIGNED BY SPEAKER		
4/23	TRANSMITTED TO GOVERNOR		
4/27	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 675	EFFECTIVE DATE: 7/01/91	

SB 264 INTRODUCED BY FRITZ, ET AL.

DETERMINE VALUE OF PAST SERVICE LIABILITY OF U OF M TEACHER RETIREMENT MEMBERS

2/02	INTRODUCED		
2/02	FISCAL NOTE REQUESTED		
2/04	REFERRED TO STATE ADMINISTRATION		
2/04	FIRST READING		
2/08	FISCAL NOTE RECEIVED		
2/11	HEARING		
2/11	FISCAL NOTE PRINTED		
2/15	COMMITTEE REPORT—BILL PASSED AS AMENDED		
2/16	2ND READING PASSED	48	0
2/18	3RD READING PASSED	49	0

	TRANSMITTED TO HOUSE		
3/04	FIRST READING		
3/04	REFERRED TO STATE ADMINISTRATION		
3/14	HEARING		
3/14	TABLED IN COMMITTEE		
3/19	TAKEN FROM TABLE		
3/19	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
3/23	2ND READING CONCURRED	70	24
3/25	3RD READING CONCURRED	71	25
	RETURNED TO SENATE WITH AMENDMENTS		
3/28	2ND READING AMENDMENTS CONCURRED	49	0
4/01	3RD READING AMENDMENTS CONCURRED	48	0
4/03	SIGNED BY PRESIDENT		
4/03	SIGNED BY SPEAKER		
4/04	TRANSMITTED TO GOVERNOR		
4/06	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 365	EFFECTIVE DATE: 4/06/91	

SB 265 INTRODUCED BY GROSFIELD, ET AL.

CLARIFY RIGHT TO BENEFICIALLY USE, SELL, OR LEASE SALVAGED WATER

BY REQUEST OF GOVERNOR

2/02	INTRODUCED		
2/02	FISCAL NOTE REQUESTED		
2/04	REFERRED TO NATURAL RESOURCES		
2/04	FIRST READING		
2/08	FISCAL NOTE RECEIVED		
2/11	HEARING		
2/11	FISCAL NOTE PRINTED		
2/18	REVISED FISCAL NOTE RECEIVED		
2/19	COMMITTEE REPORT—BILL PASSED AS AMENDED		
2/20	2ND READING PASSED	49	0
2/21	3RD READING PASSED	45	2
	TRANSMITTED TO HOUSE		
3/04	FIRST READING		
3/04	REFERRED TO NATURAL RESOURCES		
3/14	HEARING		
3/15	COMMITTEE REPORT—BILL CONCURRED		
3/18	2ND READING CONCURRED	85	3
3/19	3RD READING CONCURRED	88	11
	RETURNED TO SENATE		
3/26	SIGNED BY PRESIDENT		
3/27	SIGNED BY SPEAKER		
3/27	TRANSMITTED TO GOVERNOR		
4/01	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 308	EFFECTIVE DATE: 10/01/91	

SB 266 INTRODUCED BY GROSFIELD, ET AL.

REVISE THE MONTANA WATER USE LAWS

BY REQUEST OF DEPARTMENT OF NATURAL RESOURCES & CONSERVATION

2/02	INTRODUCED
2/02	FISCAL NOTE REQUESTED
2/04	REFERRED TO NATURAL RESOURCES
2/04	FIRST READING
2/08	FISCAL NOTE RECEIVED
2/11	HEARING
2/11	FISCAL NOTE PRINTED
2/18	REVISED FISCAL NOTE PRINTED
2/19	COMMITTEE REPORT—BILL PASSED AS AMENDED

SENATE BILL NO. 263

INTRODUCED BY WILLIAMS, KNOX, GRINDE

IN THE SENATE

EBRUARY 2, 1991	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
EBRUARY 13, 1991	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
EBRUARY 14, 1991	PRINTING REPORT.
	SECOND READING, DO PASS.
EBRUARY 15, 1991	ENGROSSING REPORT.
	THIRD READING, PASSED. AYES, 49; NOES, 0.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

EBRUARY 15, 1991	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
EBRUARY 16, 1991	FIRST READING.
ARCH 19, 1991	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
PRIL 11, 1991	SECOND READING, CONCURRED IN AS AMENDED.
PRIL 12, 1991	THIRD READING, CONCURRED IN. AYES, 96; NOES, 1.
	RETURNED TO SENATE WITH AMENDMENTS.

IN THE SENATE

PRIL 17, 1991	RECEIVED FROM HOUSE.
	SECOND READING, AMENDMENTS CONCURRED IN.
PRIL 18, 1991	THIRD READING, AMENDMENTS

CONCURRED IN.

RIL 19, 1991 SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

LC 0735/01

Senate BILL NO. 263

INTRODUCED BY William Knox Larry Hal Grimes

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT THE GENERAL FUND OF A COUNTY IS TO BE REIMBURSED FOR TAX SALE EXPENSES BEFORE ANY DISTRIBUTION OF THE PROCEEDS OF A TAX-DEED SALE IS MADE; AND AMENDING SECTION 7-8-2306, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 7-8-2306, MCA, is amended to read:

"**7-8-2306. Distribution of sale and lease proceeds.** The proceeds of ~~every~~ each sale or lease under this part or part 25 ~~shall~~ must be paid over to the county treasurer, who shall apportion and distribute the ~~same~~ proceeds in the following manner:

(1) (a) Upon a sale of ~~such~~ the property, the proceeds of each sale ~~up-to-the-amount-of-$10-shall~~ must be credited to the county general fund ~~to--reimburse--such~~ for reimbursement of expenditures made ~~therefrom~~ from it in connection with the procurement of the tax deed and holding of the sale.

(b) Upon a sale of the property, if there ~~be~~ is any ~~amount~~ money remaining ~~of-such-proceeds~~ after the payment of the amount specified in subsection (1)(a) and ~~such~~ the remainder is:

(i) in excess of the aggregate amount of all taxes and assessments accrued against ~~such~~ the property for all funds and purposes, without penalty and interest, then ~~so~~ as much of ~~such~~ the remaining proceeds ~~shall~~ must be credited to each fund or purpose as ~~the-same~~ each fund or purpose would have received had ~~such~~ the taxes been paid before becoming delinquent, and all excess ~~shall~~ must be credited to the general fund of the county; or

(ii) ~~is~~ less in amount than the aggregate amount of all taxes and assessments accrued against ~~such~~ the property for all funds and purposes, without penalty or interest, ~~such~~ the proceeds ~~shall~~ must be prorated between ~~such~~ the funds and purposes in the proportion that the amount of taxes and assessments accrued against ~~such~~ the property for each ~~such~~ fund or purpose bears to the aggregate amount of taxes and assessments accrued against ~~such~~ the property for all funds and purposes.

(2) ~~Whenever~~ If tax-deed lands have been sold and the county has reserved a royalty interest, any sums of money received from ~~such~~ the royalty interest ~~shall~~ must be credited to the general fund of the county, except that the board of county commissioners may allocate to the county road fund not more than 50% of the money received from reserved royalty interests.

(3) Upon a lease of the property, except as otherwise

INTRODUCED BILL
SB 263

provided, the amount received as rent, royalty, or otherwise, including interest received on the payments under either a sale or lease, ~~shall~~ must be apportioned on the current year's levy and ~~shall~~ must be credited as earnings of tax-deed property and not considered as a credit to tax-deed accrued accounts as in the case of the principal received from sales of tax-deed lands."

-End-

CHAIRMAN--MIKE HALLIGAN
SECRETARY-JILL ROHYANS
NORMAL SCHEDULE==> SITE: RM 413/415

COMMITTEE--(S) TAXATION
DAYS: M,T,W,T,F TIME: 8:00 A.M.

BILL	=	= REFER = DATE	LATEST ACTION/DATE		
SB 206		01/28 (S) CHAPTER NUMBER	03/27		EFFECTIVE DATE: 10/01/91
		SPONSOR: HALLIGAN, MIKE	TITLE-REVISE ADMINISTRATION OF RETAIL ALCOHOLIC BEVERAGE LICENSES		
SB 207		01/28 (S) ADVERSE COM RPT ADOPTED	02/08 (S) TAXATION		
		SPONSOR: HARP, JOHN	TITLE-ALLOWING AN ADDITIONAL MILL LEVY FOR A UNIT OF THE UNIVERSITY SYSTEM		
SB 213		01/28 (S) 2ND READ INDEFINITE POSTPONED	02/14		
		SPONSOR: TOWE, TOM	TITLE-REVISE METHOD OF NOTICE FOR PROPERTY TAX SALES		
SB 218	R	01/29 (S) TABLED IN COMMITTEE	03/12 (S) TAXATION		
		SPONSOR: ECK, DOROTHY	TITLE-PROVIDE UNIFORM TAXATION OF RETIREMENT INCOME AND INCREASE STATE BENEFITS		
SB 226	AR	01/31 (S) 3RD READ FREE CC RPT ADOPTED	04/24		REPORT NO. 1
		SPONSOR: HARP, JOHN	TITLE-REVISE RETIREMENT INCOME TAX EXEMPTION TO $10,000 EXCLUSION		
SB 235	R	01/31 (S) TABLED IN COMMITTEE	02/08 (S) TAXATION		
		SPONSOR: TOWE, TOM	TITLE-TAX FEDERAL CLEAN AIR ACT EMISSION ALLOWANCES AS CLASS EIGHT PROPERTY		
SB 236	R	01/31 (S) CHAPTER NUMBER	04/20		EFFECTIVE DATE: 04/16/91
		SPONSOR: HARP, JOHN	TITLE-REVISE URBAN RENEWAL LAWS		
SB 238		01/31 (S) SIGNED BY GOVERNOR	04/24		
		SPONSOR: CRIPPEN, BRUCE	TITLE-REVISE MUNICIPAL FINANCE CONSOLIDATION ACT TO ALLOW PARTICIPATION BY REGENTS		
SB 242		02/01 (S) SIGNED BY GOVERNOR	04/24		
		SPONSOR: CRIPPEN, BRUCE	TITLE-REVISE SCIENCE AND TECHNOLOGY ORGANIZATION, FUNDING, AND PROGRAMS		
SB 262	R	02/04 (S) TRANSMITTED TO GOVERNOR	04/23		
		SPONSOR: WILLIAMS, BOB	TITLE-ALLOW COUNTY COMMISSIONERS TO SET INTEREST RATE FOR TAX-DEED SALES		
SB 263		02/04 (S) TRANSMITTED TO GOVERNOR	04/23		
		SPONSOR: WILLIAMS, BOB	TITLE-COUNTY RECOVERY OF COSTS OF CONDUCTING TAX-DEED SALE		
SB 272		02/05 (S) SIGNED BY PRESIDENT	04/25		
		SPONSOR: FARRELL, BILL	TITLE-DEFINE INFRASTRUCTURE USED IN TAX INCREMENT INDUSTRIAL FINANCE ACT		
SB 275	R	02/05 (S) TRANSMITTED TO GOVERNOR	04/23		
		SPONSOR: GAGE, DEL	TITLE-REPEAL NUISANCE TAXES -- CLEARANCE FEE, CEMENT, AND GYPSUM		
SB 278	R	02/06 (S) SIGNED BY GOVERNOR	04/24		
		SPONSOR: GAGE, DEL	TITLE-REPEAL NUISANCE TAXES -- EXPRESS CO, SLEEPING CAR CO, RURAL COOP ANNUAL FEE		
SB 279		02/06 (S) SIGNED BY GOVERNOR	04/25		
		SPONSOR: BROWN, BOB	TITLE-PROVIDING A MONTANA TAXPAYER BILL OF RIGHTS AND OFFICE OF TAXPAYER ASSIST		
SB 280	R	02/06 (S) TRANSMITTED TO GOVERNOR	04/23		
		SPONSOR: BROWN, BOB	TITLE-STANDARDIZE PROCEDURES FOR CERTAIN TAXES AND FEES		
SB 286		02/06 (S) TABLED IN COMMITTEE	02/19 (S) TAXATION		
		SPONSOR: TVEIT, LARRY	TITLE-CAPITAL COMPANY IN SMALL COUNTY OR CITY TO HAVE $50,000 CAPITAL		
SB 294	R	02/07 (S) TABLED IN COMMITTEE	02/19 (S) TAXATION		
		SPONSOR: DOHERTY, STEVE	TITLE-ALLOW LOCAL GOVERNMENT TO IMPOSE LOCAL OPTION LODGING FACILITY USE TAX		
SB 299		02/07 (S) SIGNED BY GOVERNOR	04/25		

MINUTES

MONTANA SENATE
52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By Senator Mike Halligan, Chairman, on February 12, 1991, at 8:00 a.m.

ROLL CALL

Members Present:

Mike Halligan, Chairman (D)
Dorothy Eck, Vice Chairman (D)
Robert Brown (R)
Steve Doherty (D)
Delwyn Gage (R)
John Harp (R)
Francis Koehnke (D)
Gene Thayer (R)
Thomas Towe (D)
Van Valkenburg (D)
Bill Yellowtail (D)

Members Excused: None

Staff Present: Jeff Martin (Legislative Council).

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Announcements/Discussion: None

HEARING ON SENATE BILL 263

Presentation and Opening Statement by Sponsor:

Senator Williams, District 15, sponsor, said the bill provides that the general fund of a county is to be reimbursed for tax sale expenses before any distribution of the proceeds of a tax-deed sale is made. The bill is a high priority for counties and has no fiscal impact.

Proponents' Testimony:

Vernon Peterson, Fergus County Commissioner, presented his testimony in support of the bill (Exhibit #1).

Gordon Morris, MACo, said this is a reasonable cost issue. It clarifies the cost issue and makes it consistent with 15-17-322 and 15-18-114. Both sections address similar issues.

Cort Harrington, Montana County Treasurers, said last session a bill passed giving County Treasurers the ability to recover the reasonable costs of issuing a tax deed. This bill takes that one step further and extends their ability to collect the costs after the sale.

Opponents' Testimony:

There were none.

Questions From Committee Members:

Senator Towe asked if this would amount to a substantial cost to the state and if it would affect county revenues and mill levies.

Mr. Morris said he felt it would have an impact but could not give an estimate of the net effect.

Mr. Peterson said $700 seems to be about the maximum shortfall. That amount would be prorated to the entities involved except for the county which is just out the money.

Closing by Sponsor:

Senator Williams closed.

HEARING ON SENATE BILL 262

Presentation and Opening Statement by Sponsor:

Senator Williams, District 15, sponsor, said this bill allows the County Commissioners to set the interest rate on contracts for the sale of tax-deed land and provides that the interest rate may not exceed more than 4 percentage points above the prime rate. He said the interest rate is currently 8% (page 1, line 19) and the counties are losing money on that level. Counties are not in the business of being bankers but they would like to break even.

EXECUTIVE ACTION ON SENATE BILL 263

Recommendation and Vote:

Senator Towe moved Senate Bill 263 DO PASS.

The motion CARRIED unanimously.

HEARING ON SENATE BILL 197

Presentation and Opening Statement by Sponsor:

Senator Kennedy, Jr., District 3. sponsor, said this is a revised West Yellowstone bill. It would enable other areas of the state to become resort areas and was drafted so that it would not have any impact on West Yellowstone or Senator Halligan's local option resort tax bill (SB 128). This bill allows for a resort area to be formed and removes the designation of a resort area by the Department of Commerce. Language on page 4 includes resort areas and other recreation facilities in the designated areas. He presented a proposed amendment which would allow electors to petition the county commissioners. Senator Kennedy reviewed the impacts of tourism on Flathead County as presented in Exhibit #4.

Proponents' Testimony:

Alec Hansen, Montana League of Cities and Towns, said West Yellowstone has proven beyond doubt that the local option resort tax can work successfully. There are no property taxes now in West Yellowstone because the system is working so well. The tax passed in that area on a 2 to 1 basis and they now collect in excess of $750,000 a year. He said other resort areas in Montana should be able to take advantage of this option. He noted there is a 15% higher property tax rate in those communities impacted by resort areas because of the additional demand on services due to tourist related traffic. He felt there could be $3.2 million in additional collections possible under this bill. The people in the impacted areas should have the opportunity to decide how they want to proceed.

Larry Gallagher, speaking for Bruce Williams, Kalispell City Manager, presented a letter from Mr. Williams in support of the bill (Exhibit #5).

Gordon Morris, MACo, expressed support for the bill.

DATE 2/12/91

COMMITTEE ON Taxation

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Bonnie L Tippy	Mont Innkeepers Assn	197		X
Larry Gallagher, for Bruce Williams	City of Kalispell	157	X	
Gordon Morris	MACo	262 263	X	
Merrill H. Kunder	Yellowstone Club	262 263	X	
Vernon Peterson	Fergus Co. Comm.	262 263	X	
W. Burke Sales	MT CHAMBER	58 197		
Jean Faletschek	Richland Co Comm	262 263	X	
Denis Adam	DOR			

(Please leave prepared statement with Secretary)

SENATE TAXATION
EXHIBIT NO. 1
DATE 2/12/91
BILL NO. SB 263

RESOLUTIONS 90-22

TAX DEED COSTS

WHEREAS, counties are charged with collecting taxes for all entities, and

WHEREAS, this duty sometimes requires Tax Deed Process, and

WHEREAS, the tax deed process is an added expense to the counties, and

WHEREAS, these costs are not always recovered (if the tax deed sale doesn't gross enough money) under current statutes.

NOW THEREFORE BE IT RESOLVED that MACo ask the 1991 legislature to delete the words shown from §7-8-2306(1)(a), as follows:

1(a) Upon a sale of such property, the proceeds of each sale shall be credited to the county general fund to reimburse such for expenditures made therefrom in connection with the procurement of the tax deed and holding of the sale.

(b) Upon a sale of the property, if there be any amount remaining of such proceeds after the payment of the amount specified in subsection (1)(a) and such remainder is:

SUBMITTED BY: Districts 6 - 7
Fergus County

APPROVED ANNUAL CONVENTION
JUNE 13, 1990

PRIORITY: HIGH

SENATE STANDING COMMITTEE REPORT

February 13, 1991

MR. PRESIDENT:

We, your committee on Taxation having had under consideration Senate Bill No. 263 (first reading copy -- white), respectfully report that Senate Bill No. 263 do pass.

Signed: _____
Mike Halligan, Chairman

2-13-91
Amd. Coord.

2-13-91
Sec. of Senate

CHAIRMAN--DAN HARRINGTON
NORMAL SCHEDULE==> SITE: ROOM 437 DAYS: M,T,W,T,F TIME: 8:00 A.M.

SECRETARY-MONA SPAULDING

BILL NO	REFER DATE	HEARING DATE	CONSIDERATION DATES	COMMITTEE ACTION	REREFERRED TO COMM	DATE OUT
SB0177	2/12	4/04		CONCUR AS AMENDED		4/04
MAZUREK, JOE			ADMINISTRATION OF ABANDONED PROPERTY BY DEPT OF REVENUE			
SB0194	2/09	2/22		CONCUR		3/05
TOWE, TOM			IMPOSE A TAX ON CERTAIN GENERATION-SKIPPING TRANSFERS			
SB0202	2/11	3/05		CONCUR		3/07
HAGER, TOM			INFORMATION AGENTS TO REPORT INTEREST FROM EXEMPT GOVERNMENT OBLIGATIONS			
SB0226	3/14	4/05	4/3	CONCUR AS AMENDED		4/12
HARP, JOHN			REVISE RETIREMENT INCOME TAX EXEMPTION TO $3,600 EXCLUSION			
SB0236	3/08	4/05		CONCUR		4/05
HARP, JOHN			REVISE URBAN RENEWAL LAWS			
SB0238	2/16	3/19		CONCUR		3/19
CRIPPEN, BRUCE			REVISE MUNICIPAL FINANCE CONSOLIDATION ACT TO ALLOW PARTICIPATION BY REGENTS			
SB0262	2/16	3/19		CONCUR		3/19
WILLIAMS, BOB			ALLOW COUNTY COMMISSIONERS TO SET INTEREST RATE FOR TAX-DEED SALES			
SB0263	2/16	3/19		CONCUR		3/19
WILLIAMS, BOB			COUNTY RECOVERY OF COSTS OF CONDUCTING TAX-DEED SALE			
SB0273	2/16				HIGHWAYS & TRANS.	
SWIFT, BERNIE			ALLOW PERMITTING OF GROSS VEHICLE WEIGHTS FOR CERTAIN VEHICLE CONFIGURATIONS			
SB0275	3/04	3/22		CONCUR		4/13
GAGE, DEL			REPEAL CERTAIN NUISANCE TAXES			
SB0278	2/18	3/19		CONCUR		3/19
GAGE, DEL			REPEAL NUISANCE TAXES -- EXPRESS CO, SLEEPING CAR CO, RURAL COOP ANNUAL FEE			

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

Call to Order: By DAN HARRINGTON, CHAIR, on March 19, 1991, at 9:00 a.m.

ROLL CALL

Members Present:

Dan Harrington, Chairman (D)
Bob Ream, Vice-Chairman (D)
Ben Cohen, Vice-Chair (D)
Ed Dolezal (D)
Jim Elliott (D)
Orval Ellison (R)
Russell Fagg (R)
Mike Foster (R)
Bob Gilbert (R)
Marian Hanson (R)
David Hoffman (R)
Jim Madison (D)
Ed McCaffree (D)
Bea McCarthy (D)
Tom Nelson (R)
Mark O'Keefe (D)
Bob Raney (D)
Ted Schye (D)
Barry "Spook" Stang (D)
Fred Thomas (R)
Dave Wanzenried (D)

Staff Present: Lee Heiman, Legislative Council
Lois O'Connor, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Announcements/Discussion:

CHAIR HARRINGTON informed the proponents and opponents that they each had 15 minutes to testify.

REP. REAM stated that he met with the Income/Severance Tax Subcommittee to lay out what their thoughts were on the income tax proposal that he had been working on--a percentage of federal liability. Based on these preliminary discussions, the Great Falls Tribune and Independent Record blasted that proposal using data received from the **Governor's Budget Office.** The data in the articles is totally different than he has received from the DOR.

Opponents' Testimony: None

Questions From Committee Members:

REP. GILBERT asked **Dave Lewis** if in his estimation the inclusion of the Board of Regents cut into the amount of money available to the other entities. **Mr. Lewis** said no; in fact, it would help as far as the rate. The larger the pool; the cheaper the money as far as we can spread our fixed costs across the divisions. We go to the market to borrow money depending upon demand, so there is not a limit on the amount we can borrow.

REP. McCARTHY asked **Mr. Lewis** if in allowing this other option to the Board are we shortening the time frame in which they would borrow the money. **Mr. Lewis** said that they would be getting five year financing from them. They might not be able to get it from a lender.

Closing by Sponsor:

SEN. CRIPPEN hoped that the committee looked favorably on SB 238, and asked that **REP. NELSON** carry the bill since he was the second signer on the bill.

HEARING ON SB 262 and SB 263

Presentation and Opening Statement by Sponsor:

SEN. WILLIAMS, Senate District 15, Hobson, stated SB 262 and SB 263 are both from actions and resolution passed by the County Commissioners in Fergus County. The counties are allowed by statute to offer contracts for deeds on property sold. The interest rate for the contracts is statutorily set.

Page 1, Line 19 of SB 262 says the interest rate is set at 8%. We are asking that it be changed to be 4.9% because of the fluctuating interest rates, there are times when the counties lose to much money. When the interest rates get high, it puts the counties in the business of banking.

SB 263 relates to HB 262.

Proponents' Testimony:

Gordon Morris, Montana Association of Counties, said that SB 262 could be viewed as a privatization bill. It would take the installment purchase option and make it more attractive to individuals who are buying tax deed property. County Commissioners would then be able to establish a rate on the sale, which may not exceed more than 4 percentage points of the prime rate in major banks of New York. He provided the committee with a copy of the law that states they are limited as to that rate. **EXHIBIT 3**

Mr. Morris provided written testimony on HB 263. **EXHIBIT 4** He stated that the current law is that counties, in terms of recovery of costs for processing tax deed property, are limited to a ten dollar cost recovery. HB 263 would recover actual costs associated with tax deed properties. Some counties pay far more than the limit of $10.

Opponents' Testimony: None

Questions From Committee Members:

REP. FOSTER asked **SEN. WILLIAMS** for clarification on SB 263 in that currently, someone pays $10 for processing tax deed property; and under SB 263, they would pay $2,481. **SEN. WILLIAMS** deferred the question to **Gordon Morris. Mr. Morris** said no. He stated when the tax deed property is sold, currently from the proceeds, the county is entitled to $10 and $10 only. Referring to the example provided to the committee, they had a $50,000 property; the county processed it and sold it for $40,000. The county got $10,000 incurred actual costs of $2,000. From the proceeds of the sale, the county would take out, first and foremost, their actual cost for processing the sale. The balance would then be distributed back to the various funds that would get money from the sale. It does not come from the purchaser.

REP. ELLISON asked **SEN. WILLIAMS** if on HB 262 there was no minimum that they would have to charge on the interest. **SEN. WILLIAMS** said no. That amount would be set by the County Commissioners.

Closing by Sponsor:

SEN. WILLIAMS said he appreciated the County Commissioners in Fergus County because they are looking at ways to save a few dollars and still offer all the services necessary. **REP. GRINDE** will carry both bills.

HEARING ON SB 278

Presentation and Opening Statement by Sponsor:

SEN. GAGE, Senate District 5, Cut Bank, stated SB 278 repeals the express company license tax and the sleeping car company license tax. We get no revenue from either at the present time.

Proponents' Testimony:

Jeff Miller, DOR, stated that these particular taxes are outmoded. One was put on in 1917 and the other in 1923. We have long since lost our last taxpayers in these industries. This is a house cleaning measure.

Opponents' Testimony: None

EXECUTIVE ACTION ON HB 976

Motion: **REP. HOFFMAN MOVED HB 976 DO PASS.**

Discussion:

CHAIR HARRINGTON said HB 976 dealt with the vermiculite mines. There are no mines operating today. This mine does the same thing to the vermiculite mines as they did with the talc in the last session.

Vote: Motion that HB 976 Do Pass carried 20 to 1 with **REP. ELLIOTT** voting no.

EXECUTIVE ACTION ON SB 278

Motion/Vote: **REP. McCARTHY MOVED SB 278 BE CONCURRED IN AND BE PLACED ON CONSENT CALENDAR.** Motion carried unanimously.

EXECUTIVE ACTION ON SB 262

Motion/Vote: **REP. ELLISON MOVED SB 262 BE CONCURRED IN.** Motion carried unanimously.

EXECUTIVE ACTION ON HB 263

Motion/Vote: **REP. ELLIOTT MOVED SB 263 BE CONCURRED IN.** Motion carried unanimously.

EXECUTIVE ACTION ON SB 238

Motion/Vote: **REP. ELLISON MOVED SB 238 BE CONCURRED IN.** Motion carried unanimously.

EXECUTIVE ACTION ON HB 444

Motion: **REP. WANZENRIED MOVED HB 444 DO PASS.**

Motion: **REP. WANZENRIED** moved to amend HB 444. **EXHIBIT 5**

Discussion:

REP. WANZENRIED said HB 444 exempts community colleges in four counties from I-105. It is not an end run on I-105, it is a straight out exemption for community colleges from I-105. He explained the amendments. The most important one being #4 which specifies the limitation of growth to the mill levy. The language limits the growth of the mill levies to no more than 5% growth. The exemption would apply to parts of Lincoln County, Flathead County, Dawson County and Custer County.

Vote: Motion to amend HB 444 carried 16 to 1 with **REP. ELLIOTT** voting no.

HOUSE OF REPRESENTATIVES

TAXATION COMMITTEE

ROLL CALL DATE 3/19/91

NAME	PRESENT	ABSENT	EXCUSED
REP. DAN HARRINGTON	✓		
REP. BEN COHEN, VICE-CHAIRMAN	✓		
REP. BOB REAM, VICE-CHAIRMAN	✓		
REP. ED DOLEZAL	✓		
REP. JIM ELLIOTT	✓		
REP. ORVAL ELLISON	✓		
REP. RUSSELL FAGG	✓		
REP. MIKE FOSTER	✓		
REP. BOB GILBERT	✓		
REP. MARIAN HANSON	✓		
REP. DAVID HOFFMAN	✓		
REP. JIM MADISON	✓		
REP. ED MCCAFFREE	✓		
REP. BEA MCCARTHY	✓		
REP. TOM NELSON	✓		
REP. MARK O'KEEFE	✓		
REP. BOB RANEY	✓		
REP. TED SCHYE	✓		
REP. BARRY "SPOOK" STANG	✓		
REP. FRED THOMAS	✓		
REP. DAVE WANZENRIED	✓		

HOUSE STANDING COMMITTEE REPORT

March 19, 1991

Mr. Speaker: We, the committee on Taxation report that Senate Bill 263 (third reading copy -- blue) be concurred in .

Signed: _____
Dan Harrington, Chairman

Carried by: Rep. Grinde

DATE 3-19-91
HB SB263

RE: SB#263
on Tax Deed- county's costs
Testamony- Vern Petersen
Fergus County Commissioner

EXAMPLE of Property Sold by Fergus County in 1989:

Del. Tax	$ 38,629.00	
Penalty/Interest	16,051.00	(Penalty $721/ Interest $15,329)
County Costs	2,481.00	
TOTAL	$ 57,161.00	
SALES PRICE	$ 41,000.00	

Under current statute the county is reimbursed $10.00; and the remaining $40,990 is distributed to school districts, city, etc.

Proposed law would reimburse the county's tax deed account for $2,481; and the remaining $38,519 would be distributed.

Tax Deed Costs included for this example:

Tax Deed Search	$ 156.60
Certified Mail	8.00
Publications	14.50
Attorney fee (outside)	599.60
Attorney fee (outside)	101:71
	$ 879.91
After court case	
Search update	35.00
Certified Mail	6.00
Publications	46.50
	$ 967.47
Insurance costs*	612.00
Deliquent water,sewer, & power costs	902.13
TOTAL	$ 2,481.54

* Insurance costs were to insure property from the time Fergus County took tax deed until sold at tax deed sale.